

AMENDED IN ASSEMBLY JUNE 9, 2014

AMENDED IN SENATE MAY 1, 2014

AMENDED IN SENATE MARCH 24, 2014

SENATE BILL

No. 1037

Introduced by Senator Hernandez

February 18, 2014

An act to amend Section 130350.6 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1037, as amended, Hernandez. Los Angeles County Metropolitan Transportation Authority: transactions and use tax.

Existing law authorizes the Los Angeles County Metropolitan Transportation Authority (MTA) to impose, in addition to any other tax that it is authorized to impose, a transactions and use tax at a rate of 0.5% for the funding of specified transportation-related purposes pursuant to an adopted expenditure plan and subject to voter approval. Existing law authorizes the MTA to seek voter approval to extend the sales tax pursuant to an amended ordinance, subject to various requirements and voter approval.

This bill would require the MTA, ~~prior to~~ *before* submitting an *ordinance or* amended ordinance to the voters, to amend the expenditure plan previously prepared for the voter-approved Measure R transactions and use tax with respect to certain matters relating to projects and programs to be funded under Measure R and to develop a transparent process to determine the most recent cost estimates for those projects and programs. The bill would also require the MTA to include the ~~updated~~ *amended* expenditure plan in the *revised and updated* Long

Range Transportation Plan, and to post the amended expenditure plan and the Long Range Transportation Plan on the MTA's Internet Web site at least 30 days before submitting the ordinance or amended ordinance to the voters. The bill would require the revised and updated Long Range Transportation Plan to include capital projects and capital programs that are adopted by each subregion, as specified, and that are submitted to the MTA for inclusion in the Long Range Transportation Plan.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 130350.6 of the Public Utilities Code is
2 amended to read:
3 130350.6. (a) The tax authorized by Section 130350.5 may
4 be imposed as set forth in paragraph (3) of subdivision (b) of
5 Section 130350.5 in a transactions and use tax ordinance, or an
6 amendment of the ordinance approved pursuant to paragraph (1)
7 of subdivision (b) of Section 130350.5, that conforms with Chapter
8 2 (commencing with Section 7261) to Chapter 4 (commencing
9 with Section 7275), inclusive, of the Transactions and Use Tax
10 Law (Part 1.6 (commencing with Section 7251) of Division 2 of
11 the Revenue and Taxation Code), and that is approved by a
12 majority of the entire membership of the authority. The tax may
13 be imposed pursuant to this section only if the proposing ordinance,
14 or amendment thereof, is approved by two-thirds of the voters, in
15 the manner as otherwise required by law, voting on this measure,
16 in a special or general election and, if so approved, shall become
17 operative as provided in Section 130352. The proposing ordinance
18 shall specify that the net revenues derived from the tax are to be
19 administered by the Los Angeles County Metropolitan
20 Transportation Authority (MTA) as provided in this section. Net
21 revenues shall be defined as all revenues derived from the tax less
22 any refunds, costs of administration by the State Board of
23 Equalization, and costs of administration by the MTA. Such costs
24 of administration by the MTA shall not exceed 1.5 percent of the
25 revenues derived from the tax. The proposing ordinance shall be
26 accompanied by a new expenditure plan for the net revenues
27 derived from the tax. This new expenditure plan shall identify the

1 years in which the MTA anticipates net revenues derived from the
2 tax will be available to each project or program in the new
3 expenditure plan.

4 (b) The MTA may incur bonded indebtedness payable from the
5 proceeds of the tax authorized by this section pursuant to the bond
6 issuance provisions of this chapter, and any successor act.

7 (c) Proceeds from the tax authorized by this section, including
8 proceeds from bonds issued pursuant to subdivision (b), after
9 payment of the bonded indebtedness, shall be used to accelerate
10 the completion of the projects and programs identified in
11 subparagraphs (A) and (B) of paragraph (3) of subdivision (b) of
12 Section 130350.5, for the expenditure plan adopted by the MTA
13 board on July 24, 2008, and for operations pursuant to paragraph
14 (3) of subdivision (b) of Section 130350.5.

15 (d) Upon completion of the projects and programs identified in
16 subparagraphs (A) and (B) of paragraph (3) of subdivision (b) of
17 Section 130350.5 and the expenditure plan adopted by the MTA
18 board on July 24, 2008, any funds remaining from the bonds
19 described in subdivision (b) and any funds remaining from the
20 proceeds of the tax authorized by this section, after payment of
21 the bonded indebtedness, shall be expended by the MTA on
22 projects and programs in the Long Range Transportation Plan or
23 its successor plans, and for operations pursuant to paragraph (3)
24 of subdivision (b) of Section 130350.5.

25 (e) To the extent that the MTA deems it necessary to accelerate
26 the completion of a project or program in a new expenditure plan
27 adopted pursuant to this section, the MTA shall expend funds
28 derived from the sales tax authorized by Section 130350.5
29 according to the schedule described in the new expenditure plan
30 adopted pursuant to this section. The MTA shall make this
31 determination by a majority vote of the MTA board.

32 (f) (1) ~~Prior to~~ *Before* submitting the ordinance described in
33 subdivision (a) to the voters, the MTA shall amend the expenditure
34 plan adopted pursuant to subdivision (f) of Section 130350.5. The
35 amended *expenditure* plan shall update all of the following for the
36 projects and programs listed in subparagraphs (A) and (B) of
37 paragraph (3) of subdivision (b) of Section 130350.5:

38 (A) The most recent cost estimates for each project and program
39 identified in the amended *expenditure* plan.

1 (B) The identification of the accelerated cost, if applicable, for
2 each project and program in the amended *expenditure* plan.

3 (C) The schedule during which the MTA anticipates funds will
4 be available for each project and program.

5 (D) The expected completion dates for each project and program.

6 (2) The MTA shall develop a transparent process to determine
7 the most recent cost estimates for each project and program
8 identified in the amended *expenditure* plan.

9 (3) The ~~amended expenditure plan, as amended, plan~~ shall also
10 be included in the revised and updated Long Range Transportation
11 Plan ~~prior to submitting~~ *before* the ordinance described in
12 subdivision (a) *is submitted* to the voters. The revised and updated
13 Long Range Transportation Plan shall also include capital projects
14 and capital programs that are adopted by each subregion that are
15 submitted to the MTA for inclusion in the revised *and updated*
16 Long Range Transportation Plan. Inclusion of a capital project or
17 a capital program in the Long Range Transportation Plan is not a
18 commitment or guarantee that the project or program shall receive
19 any future funding. As used in this paragraph, “subregion” shall
20 have the meaning as defined in the Long Range Transportation
21 Plan in effect as of January 1, 2008.

22 (4) *At least 30 days before submitting the ordinance described*
23 *in subdivision (a) to the voters, the MTA shall post the amended*
24 *expenditure plan and the Long Range Transportation Plan on the*
25 *MTA’s Internet Web site in a prominent manner.*